

STATEMENT OF REVENUE AND EXPENSES – OTHER

Michigan Department of Health & Human Services

CERTIFICATE OF NEED

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AUTHORITY: PA 368 of 1978, as amended COMPLETION: Is Voluntary , but is required to obtain a Certificate of Need. If NOT completed, a Certificate of Need will NOT be issued.	The Department of Health & Human Services is an equal opportunity employer, services and programs provider.
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INSTRUCTIONS:

- This statement can be used for a number of project categories including: **Freestanding Surgical Outpatient Facilities (FSOF), Ambulatory Surgical Centers (ASC), Ambulatory Care Centers, and other Freestanding Services.**
- Enter the project classification on the appropriate line of the heading on Page 2 of this form.

EXISTING FSOFs and/or Freestanding Services:

1. **Column 1** and **Column 2** (see Page 3 of this form) - Entries must be actual reporting for the last two completed fiscal years. These entries must reconcile with the audited or unaudited financial statements supplied as part of this application.
2. **Column 3** entries will be the projected revenue and expenses for the total facility/service for the first 12 months with the project in place. No inflation factor may be included in these projections. They must be based on the last actual completed year dollar value. Any cost savings realized as a result of the project will be evident when Column 1 and Column 2 entries are compared.
3. **Column 4** entries will be the projected revenue and expenses (without inflation) for the total FSOF/service for the second 12 months with the project in place. Again, inflation factors must not be used. They must be based on the last actual completed year dollar value.
4. **Column 5** entries will be the projected revenue and expenses (without inflation) for the total FSOF/service for the third 12 months with the project in place. Again, inflation factors must not be used. They must be based on the last actual completed year dollar value.
5. Continue below with items 4 through 10 that pertain to all FSOFs/services.

NEW FSOFs and/or SERVICES:

1. **Column 1** and **Column 2** – Do not use as these columns report the previous two actual years.
2. **Column 3** through **Column 5** entries will be the projected revenue and expenses (without inflation) for the total facility or service for the first three 12-month periods with the project in place. The projections must be based on current dollar value.

ALL FSOE and/or SERVICES:

1. Provide the assumptions for the computations made for each line item for Columns 3, 4 and 5. Space has been provided by category for this response on Pages 4, 5, and 6 of this service form.
2. In the absence of explanations or rationale for assumptions, the analysts reviewing the project will make their own assumptions based on data provided in this and other sections of the application.
3. Throughout the report, increases must show as positive numbers and decreases as bracketed (xxx,xxx) numbers.
4. Line 20 must show the excess (or the shortfall) of Line 3 over Line 19, when Line 19 is subtracted from Line 3.
5. On lines 21 through 23, insert the appropriate unit of measurement used (e.g., patient visit, treatment, modality, case, test, or procedure).
 - a. Divide revenue (Line 1) by the number of units (Line 21) to find the average charge per unit (Line 22).
 - b. Divide the total expense (Line 19) by the number of units (Line 21) to find the average cost per unit (Line 23).
6. Assume that a Full-Time Equivalent position (FTE) is equal to 2,080 hours per year.
7. Review data on this revenue and expense statement for conflict with that reported on other forms in the application. FOR EXAMPLE:
 - a. Does the depreciation expense reported on Line 9 of Page 3 agree with the depreciation and amortization schedule entries on form CON-1100? Does the interest expense reported on Line 10 agree with the assumptions used in Section 1200?
 - b. Do the FTEs (Full Time Equivalent positions) reported here agree with the Personnel Form (CON-600 of this application)?
 - c. Do utilization data in Section 700 agree with utilization data used for Section 1100 financial forms?
 - d. During preparation of a Certificate of Need application, figures and assumptions are sometimes revised. Have these changes been made on all affected forms?

REVENUE AND EXPENSE STATEMENT

For what type of Project or Facility:

	LAST TWO ACTUAL YEARS		PROJECTED		
	(1) From:	(2) From:	(3)	(4)	(5)
	To:	To:	1st 12 Months	2nd 12 Months	3rd 12 Months
REVENUE:					
1. REVENUE	\$	\$	\$	\$	\$
2. Less: Allowances and Bad Debt					
3. NET REVENUES	\$	\$	\$	\$	\$
OPERATING EXPENSES:					
4. Salaries and Wages	\$	\$	\$	\$	\$
5. Fringe Benefits					
6. Rent					
7. Leased Equipment					
8. Maintenance and Repair					
9. Depreciation					
10. Interest					
11. Utilities and Telephone					
12. Insurance					
13. Professional Services					
14. Medical Supplies					
15. Office Supplies					
16. Consultant Fees					
17. Other:					
18. Other:					
19. TOTAL of EXPENSES	\$	\$	\$	\$	\$
20. Excess of Revenues Over / Under Expenses	\$	\$	\$	\$	\$
21. Number of: * (Explain)					
22. Average charge per: *	\$	\$	\$	\$	\$
23. Average cost per: *	\$	\$	\$	\$	\$
24. FTEs					

* *Patient Visits, Treatment, Modality, Case, Test, or Procedure.*

PROJECTIONS MADE FOR REVENUE AND EXPENSE STATEMENT

For what type of Service and/or Facility:

Page 3 assumptions were based on _____ patient visits, treatments, modalities, cases, tests, or procedures in the first project year. Following are explanations for the assumptions made and the methods utilized in calculating the projections of revenue and expense for the line item entries on Page 3 of this form.

REVENUE:

1. REVENUE
2. Allowance for bad debts
3. NET REVENUE (No Response Required)
4. Salaries and wages
5. Fringe benefits
6. Rent
7. Leased equipment
8. Maintenance and repairs
9. Depreciation based on Form CON-1100, Page 17.
10. Interest
11. Utilities and telephone

12. Insurance
13. Professional services
14. Medical supplies
15. Office supplies
16. Consulting fees
17. Other
18. Other
19. TOTAL EXPENSES (No Response Required)
20. Excess Revenue (Over / Under) Expenses
21. Number of patient visits, treatments, modalities, cases, tests, or procedures. Please identify which you are using and enter also for items 22 and 23.
22. Average charge per
23. Average cost per
24. Full-Time Equivalent positions (FTEs)